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EXAMINER

SHAIKH, MOHAMMAD Z

ART UNIT

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/677,172	Applicant(s) SAVASOGLU ET AL.	
	Examiner MOHAMMAD Z. SHAIKH	Art Unit 3696	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 July 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 13-24 and 26-40 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 13-24 and 26-40 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>07/18/08, 08/29/08</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This Office Action is in response to an AMENDMENT entered on 07/18/08 for patent application 10,677,172.
2. This action is made Non-Final because examiner is making a new ground of rejection not necessitated by Applicant's amendment.

Status of Claims

3. Claims 13-24, 26-40 are pending in this application.
4. Claims 1-12, 25 have been cancelled.

Claim Rejections- 35 U.S.C § 102

5. Examiner is withdrawing the 35 U.S.C 102(e) rejection for claims 13-19, 21-24, 2-31, 36-38, 40 have been withdrawn.

Claim Rejections- 35 U.S.C § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 13-19, 22-24, 26-40 are being rejected under 35 U.S.C 103(a) as being unpatentable over U.S Patent 7,257,555 to Farr in view of "FSA forgoes conventional wisdom in characterizing a remarketing payment under a callable/puttable bond" by Jo Lynn Ricks, Thomas J. Kelly. The Tax Adviser. New York: Mar 2002. vol 33, iss 3, page 168, herein FSA.

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Regarding claim 13, Farr discloses a method comprising the steps of: issuing a unit to a holder, the unit comprising a forward contract and a remarketable security that secures performance of obligations of the forward contract, the forward contract requiring the holder to purchase of a quantity of stock from an issuer at a settlement price on or before a settlement date (column 5: lines 8-17). However Farr does not disclose the remarketable security having an issue denomination and a maturity date later than the settlement date; and offering, at a remarketing time, the remarketable security to one or more new investors at a remarketing denomination different from the issue denomination, wherein the unit provides the remarketing denomination at time of issue. FSA discloses the remarketable security having an issue denomination and a maturity date later than the settlement date; and offering, at a remarketing time, the remarketable security to one or more new investors at a remarketing denomination different from the issue denomination, wherein the unit provides the remarketing denomination at time of issue (page 2: paragraphs: 2-3). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify FSA's invention to include the remarketable security having an issue denomination and a maturity date later than the settlement date; and offering, at a remarketing time, the remarketable security to one or more new investors at a remarketing denomination different from the issue denomination, wherein the unit provides the remarketing denomination at time of issue. One of ordinary skill in the art would have been motivated to include the remarketable security having an issue denomination and a maturity date later than the settlement date; and offering, at a

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remarketing time, the remarketable security to one or more new investors at a remarketing denomination different from the issue denomination, wherein the unit provides the remarketing denomination at time of issue in order to ensure that the investors have different options when choosing a remarketable security.

Regarding claim 14, Farr discloses the method of claim 13. Farr further discloses wherein at the remarketing time, the remarketable does not have subordination to senior debt of the issuer (column 2, lines 30-33).

Regarding claim 15, Farr discloses the method of claim 13. However Farr does not disclose further comprising the step of changing the maturity date of the remarketable security on the remarketing date. FSA discloses further comprising the step of changing the maturity date of the remarketable security on the remarketing date (page 2: paragraph 2). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify FSA's invention to include discloses further comprising the step of changing the maturity date of the remarketable security on the remarketing date. One of ordinary skill in the art would have been motivated to include discloses further comprising the step of changing the maturity date of the remarketable security on the remarketing date in order to ensure that the investor is able to receive the best possible return on their investment.

Regarding claim 16, Farr discloses the method of claim 13. Farr further discloses further comprising the steps of adding one or more financial covenants on the remarketing date (column 3, lines 55-58).

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Regarding claim 17, Farr discloses the method of claim 13. However Farr does not disclose further comprising the step of: making the remarketable security callable after the remarketing date. FSA discloses further comprising the step of: making the remarketable security callable after the remarketing date (page 2: paragraph 2).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify FSA's invention to include further comprising the step of: making the remarketable security callable after the remarketing date. One of ordinary skill in the art would have been motivated to include further comprising the step of: making the remarketable security callable after the remarketing date in order to ensure that investors have the ability to redeem the security and have access to the funds upon redeeming the security.

Regarding claim 18, Farr discloses the method of claim 13. Farr further discloses comprising the steps of selling the remarketable security to a new investor; and satisfying the forward contract with proceeds obtained from the new investor (column 3: lines 42-53).

Regarding claim 19, Farr discloses the method of claim 13. Farr further discloses comprising the step of delivering a quantity of stock to the holder (column 3: lines 51-53).

Regarding claim 22, Farr discloses the method of claim 13. Farr further discloses wherein the remarketable security comprises a debt security (column 1: lines 40-41)

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Regarding claim 23, Farr discloses the method of claim 13. Farr further discloses wherein the remarketable security comprises a preferred security (column 1: line 42).

Regarding claim 24, Farr discloses the method of claim 13. Farr further discloses wherein the remarketing comprises one or more remarketing dates (column 5: lines 35-57).

Regarding claim 26, Farr discloses the method of claim 13. However Farr does not disclose wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue. FSA discloses wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue (page 2: paragraph 2). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Farr's invention to include wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue. One of ordinary skill in the art would have been motivated to include disclose wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing

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time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue in order to ensure that the investor is able to maximize their investment by obtaining a higher yield on the investment.

Regarding claim 27, Farr discloses the method of claim 13. Farr further discloses wherein at the remarketing time, the remarketable security does not have a previously available interest rate deferral option to the issuer (column 5: lines 12-13)

Regarding claim 28, Farr discloses the method of claim 27. Farr further discloses wherein at the remarketing time, the remarketable security does not have subordination to senior debt of the issuer (column 2: lines 30-33).

Claim 29 is being rejected using the same rationale as claim 28.

Claim 30 is being rejected using the same rationale as claim 27.

Claim 31 is being rejected using the same rationale as claim 28.

Regarding claim 32, Farr discloses a method comprising the steps of: issuing a unit to a holder, the unit comprising a forward contract and a remarketable security that secures performance of obligations of the forward contract, the forward contract requiring the holder to purchase of a quantity of stock from an issuer at a settlement price on or before a settlement date (column 5: lines 8-17). However Farr does not disclose wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue. FSA discloses

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wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue (page 2: paragraph 2). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Farr's invention to include wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue. One of ordinary skill in the art would have been motivated to include disclose wherein at issue the remarketable security has an issue coupon frequency, and wherein at the remarketing time, the remarketable security has a remarketing coupon frequency different from the issue coupon frequency, wherein the unit provides the remarketing coupon frequency at the time of issue in order to ensure that the investor is able to maximize their investment by obtaining a higher yield on the investment.

Claim 33 is being rejected using the same rationale as claim 28.

Claim 34 is being rejected using the same rationale as claim 26.

Claim 35 is being rejected using the same rationale as claim 28.

Regarding claim 36, Farr discloses a method comprising the steps of:
issuing a unit to a holder, the unit comprising a forward contract and a remarketable security that secures performance of obligations of the forward contract, the forward contract requiring the holder to purchase of a quantity of stock from an issuer at a

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settlement price on or before a settlement date (column 5: lines 8-17). However Farr does not disclose the remarketable security having an issue denomination and a maturity date later than the settlement date. FSA discloses the remarketable security having an issue denomination and a maturity date later than the settlement date (page 2: paragraphs: 2-3). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Farr's invention to include the remarketable security having an issue denomination and a maturity date later than the settlement date. One of ordinary skill in the art would have been motivated to include the remarketable security having an issue denomination and a maturity date later than the settlement date in order to ensure that the investors have different options when choosing a remarketable security. Farr further discloses offering, at a remarketing time, the remarketable security to one or more new investors without a previously available interest rate deferral option to the issuer (column 15, lines 12-13).

Claim 37 is being rejected using the same rationale as claim 28.

Claim 38 is being rejected using the same rationale as claim 13.

Claim 39 is being rejected using the same rationale as claim 32.

Claim 40 is being rejected using the same rationale as claim 36.

8. Claim 20 is being rejected under 35 U.S.C 103(a) as being unpatentable over Farr in view of FSA and further in view of *The Journal of Business* article, herein Journal of Business.

Regarding claim 20, Farr discloses the method of claim 19. However Farr does not disclose wherein the quantity of stock is determined by a formula based on price of

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stock at expiration the forward contract payoff function. Journal of Business discloses wherein the quantity of stock is determined by a formula based on price of stock at expiration the forward contract payoff function (page 224). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Farr's invention to include wherein the quantity of stock is determined by a formula based on price of stock at expiration the forward contract payoff function. One of ordinary skill in the art would have been motivated to include wherein the quantity of stock is determined by a formula based on price of stock at expiration the forward contract payoff function in order to ensure that at remarketing time, the interest rate is reset to a well defined formula.

9. Claim 21 is being rejected under 35 U.S.C 103(a) as being unpatentable over Farr in view of FSA and further in view of IRS document, Rev. Rule 2003-97: page 2, herein IRS.

Regarding claim 21, Farr discloses the method of claim 13. However Farr does not disclose further comprising the step of collecting a remarketing fee. IRS discloses further comprising the step of collecting a remarketing fee (page 3: paragraph 5). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Farr's invention to include the step of collecting a remarketing fee. One of ordinary skill in the art would have been motivated to include the step of collecting a remarketing fee in order to ensure that the remarketing agent is properly compensated.

Response to Arguments

Applicant's arguments filed on 07/18/08 with respect to the 35 U.S.C 102(e) rejections for claims 13-19, 21-24, 27-31, 36-38, 40 and the 35 U.S.C 103(a) rejections for claims 20, 26, 32-35, 39 have been fully considered and are persuasive. Therefore the rejections have been withdrawn. However upon further consideration, a new ground(s) of rejection have been made in view of U.S Patent 7,257,555 to Farr in view of "FSA forgoes conventional wisdom in characterizing a remarketing payment under a callable/puttable bond" by Jo Lynn Ricks, Thomas J. Kelly. The Tax Adviser. New York: Mar 2002. vol 33, iss 3, page 168, herein FSA and further in view of *The Journal of Business*..

CONCLUSION

Any inquiry concerning this communication or earlier communications from the examiner should be directed to MOHAMMAD Z. SHAIKH whose telephone number is (571)270-3444. The examiner can normally be reached on Monday-Friday (7:30-5); alt Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. Z. S./
Examiner, Art Unit 3696
10/27/2008

Mohammad Z Shaikh
Examiner
Art Unit 3696

**/Daniel S Felten/
Primary Examiner, Art Unit 3696**